Grant County Broadcasters Incorporated is the licensee of FM station WNKR at Williamstown, Kentucky. We are an independent, single station, local owner operating in a small market. There are 24,000 people in our county of license.

We are stunned and deeply concerned over the content of this NPRM, especially considering the high quality, local programming we deliver to our community everyday. The local programming the Commission seeks to require is already on our airwaves. This service is what our market needs and deserves and it is good business as well as good service for us to provide it.

At WNKR, 90% of our programming format is locally produced and originated. 100% of our newscasts are written, produced and originated in-house. Our air personalities are local and bring up to 40 years of broadcasting experience in the area to our station 's audience. 75% of our play by play sports is locally originated. We do locally produced public affairs programming. We seek input from community leaders on issues programming on a regular basis. We have local programs available for local musicians when they have something to present. Even when WNKR is "automated", we produce and program the content. Our music selection is done locally and on a custom basis for our market alone. We are not merely "potting up" a satellite- delivered format and dropping our call letters into it. As owners and operators, we live in the area. People know us by name. We are plugged into the community, and are accessible to anybody who wants to discuss any aspect of our operation with us. So, your programming proposals will not make much difference in the actual content of our station.

What will happen is that we will be burdened with significant and unnecessary additional expenses to document and formalize everything we do, to hire additional people to watch our station 24/7 and handle the additional regulatory paperwork, filings and meetings these new regulations would require. This, combined with the possible need to relocate our main studios to comply with pre-1987 main studio rules brings the total possible additional expense to comply with these proposed rules to well beyond six figures! Bear in mind that this is the bill for one single stand- alone station in a smaller market. If these proposals are implemented, we will feel the economic impact of them for years to come. So will every other broadcaster in America.

At this time, radio is under siege due to many outside factors that are completely beyond our control. Advertising revenue is down in our industry as new and unregulated delivery platforms drain off advertising dollars that used to accrue to local radio. The RIAA seeks to impose new royalty obligations on us. Radio is in the midst of a costly digital conversion. Our investment in this conversion is two-fold as we build new transmitter plants while simultaneously bearing most of the burden of convincing the public to buy new receivers for HD. These are just a few of the serious challenges we currently face as an industry. Through all of this the FCC has a responsibility to nurture local radio. This NPRM does not do that. There is no precision in this proposal, no attempt to actually identify problem cases and deal with them. Instead, the Commission reverts to a "one size fits all stations and markets" approach filled with quotas and heavy handed involvement in the day to day decisions concerning programming and operations at all stations, regardless of size, ownership or past performance. It is merely accurate to say that, with this NPRM, the Commission proposes to re-regulate local radio as it simultaneously deregulates our competition.

We consider the proposal that quotas be established for various types of programming with "special processing" of license renewal applications for "non-conforming" stations to be especially ominous. Doing this would eliminate local control over individual station programming, transferring that control to the FCC in Washington. Individual stations would be subjected to a set of uniform, national "standards" for their content, with the clear threat of non-renewal or- at the very least- a difficult renewal process before the entire Commission for not adhering to these so-called standards. The supreme irony in this entire process is the fact that this proposal lies within a NPRM that is supposedly designed to foster "localism". We are utterly unable to understand how the wholesale transfer of programming authority to Washington will improve or increase "localism". This concept, like most of this NPRM, has been tried before and found lacking by previous Commissions. Furthermore, it raises grave constitutional and legal questions. However, most of all, it will not improve service to the public or aid in the achievement of the Commission's stated goal of this NPRM, which is increased localism.

In our own market area, we compete with radio stations from two different metro areas (Cincinnati, Ohio and Lexington, Kentucky) that bleed into our local area, numerous newspapers, satellite radio, satellite and cable television, the Internet, the Ipod, and electronic billboards. The NPRM ignores the fact that these choices are available to the consumer and the advertiser, that many of them are "new media" that have only recently been developed and that many of them are totally unregulated. Instead, the NPRM restores old restrictions on local radio that pre-date the existence of these new competitors. The net effect is the elimination of our ability to make decisions about programming content at the local level by proposing specific percentages or weekly amounts of various program types. Instead of needed flexibility to meet new competition, radio's hands would be tied to a set of out-dated government mandated content standards. We contend that a more competitive and crowded environment requires <u>increased</u> flexibility to make programming and resource allocation decisions locally, not more regulation and reduced flexibility.

We recognize that the Commission has received 83,000 written comments, and 500 more at the localism hearings. We urge the Commission to also consider the fact that over 200 million listeners per week use local radio. Most of them are apparently satisfied with what they hear, because they have not complained. In our opinion the manner in which the existing data has been gathered (hearings and solicitations of comments) will tend to bring out those who are dissatisfied or disgruntled much more than it will bring out those who are satisfied. The Commission seems to be under the impression that localism issues constitute an epidemic of problems requiring a radical overhaul of the current regulatory environment. A conclusion of this magnitude should be based on far more data than the Commission has at hand. A census by the FCC (directed at every station) regarding the local content of their service would be both appropriate and reasonable in the context of this NPRM. This information would provide the FCC with a more complete data base from which to evaluate current local content than just the hearings and comments will provide. We urge the Commission to develop and take the census, and suspend any action on this NPRM until such time as the census is complete and the results are objectively evaluated.

Also absent from this NPRM is consideration of the purely economic problems the radio industry currently faces, with the exception of a passing nod to the problems of AM broadcasters and their need for FM translators. 2008 will be extremely difficult as the fallout from the housing crisis continues. The national economy is in such a state that Congress has passed a major stimulus package in an attempt to "prevent" a recession that many economists say is already here. Many major radio groups have reported multi- million dollar losses in this business environment. The increased expenses and personnel that complying with these proposed regulations will certainly require can only do further damage to an industry that is already hurting and facing an uncertain future. The Commission needs to realize that local broadcasters' resources are finite and that financially healthy stations will provide better service to the public than distressed properties.

While we take issue with all of this NPRM, portions of it are massively wasteful and especially destructive. For example, the NPRM states that the Commission is considering returning to the pre-1987 main studio rule. Our main studios are indeed outside of our city of license- by less than one mile. We have a long- term lease on a beautiful facility that we built out in 2004. We chose the location because it is on the main US Route that runs through our entire service area including our city of license and because it was one of the few commercial buildings available that was large enough, visible enough and that we could afford. Also important- given the terrain in our area- was that the site elevation makes it easy and practical to send our signal to our transmitter site via an STL.

Assuming that we could actually find a suitable location within the city limits of Williamstown, it would cost us well over $200,000.00 to move our single, small FM station. In the process, we would be abandoning a perfectly useable facility and we would remain obligated to the long- term lease at our present location. Since WNKR was founded after the pre- 1987 rule was discarded, our studios have always been slightly outside of our city of license. During the entire history of the station, we have not received any complaints at all in any form from members of the public stating they are inconvenienced or ill served by this situation.

Like thousands of other station operators, we are well within the current law. Nationwide, broadcasters have invested millions of dollars in studio locations that are compliant with the Commission's current rules and regulations, but would not comply with a return to the pre-1987 rule. The need to relocate and abandon perfectly good facilities would be widespread. In the metro areas that surround us, we believe that virtually every major cluster operator and many smaller operators would have to re-locate at least some studios to comply with a return to this archaic rule. In fact, the number that would have to move main studios far outnumbers those who would not.

These existing facilities are well within the service areas of the stations involved and are easily found by members of the public seeking them. They are not hidden or difficult to access. In our particular case, we do not feel that causing us to have to rebuild our main studios at a slightly different location will accomplish anything whatsoever except saddling us with the sizeable and substantial financial burden of doing so. It is certainly not the best use of our limited resources, and it will not improve our service to the area in any way. Given the limited amount of commercial real estate available, it is quite possible that nothing comparable to our current facility could even be procured.

Surely every licensee that relied (in good faith) on the current rules regarding the location of their main studios is entitled to some consideration in the protection of the substantial investments in these facilities. It is very disturbing that the Commission is considering- with the stroke of a pen- throwing many of us under this bus with no regard whatsoever for our investments at our current locations. If the Commission insists on a return to the pre- 1987 rules, then the Commission needs to either grandfather existing main studio locations or phase in a new requirement over a ten- year period. This would at least give broadcasters some time to react and adjust. We truly hope it will not come to even that. We are of the opinion that the current rule is reasonable, and that these locations do not hamper public access or involvement with stations.

The main studio issue is just one of the many burdens this NPRM threatens to impose on all of us. However, in the final analysis, there is no doubt that the impact of these proposed regulations will fall hardest on small independent broadcasters like us, with limited resources and without seven or eight stations in a given market to spread the costs over. Ironically, the Commission bemoans the effects of consolidation, then proposes- with this

NPRM- rules that will certainly drive more independent broadcasters out of the industry. One need only read almost any current trade publication to get a sense of the problems that this will cause. Almost universally, smaller broadcasters (who are presumably familiar with their own balance sheets) are extremely worried about how these proposals could be paid for on a local level with less revenue expected this year and possibly well into the future. One small broadcaster described these proposals openly in print as a “death sentence” for their operation. This NPRM proposes content controls, establishes programming and music quotas, creates un-funded mandates, increases station expenses and reduces the resources actually available for local service. The harm it will cause to independent and small broadcasters especially is significant and substantial. This NPRM will certainly reduce local service instead of enhancing it by reducing our ranks as owners and operators.

In addition to the constitutional and legal issues these proposals raise, the Commission needs to closely examine the fact that this NPRM fully or partially reinstates many old rules and old regulatory concepts that were abandoned as ineffective, out- dated and cumbersome by previous Commissions. These rules were found lacking and were changed for good and solid reasons. By proposing this NPRM the current Commission is ignoring the precedent set by prior Commissions and is creating a regulatory “moving target” for broadcasters. The Communications Act of 1996 specifically urges reduced regulation and recognizes the fact that many previous rules and regulations were ineffective and a substantial burden on broadcasters but did nothing to actually improve service to the public. Those abandoned rules and regulations did not suddenly become a good idea again. If anything, the development of new and unregulated media alternatives to traditional radio and television would seem present a more solid argument <u>against</u> these proposed changes in today’s environment.

Finally, this NPRM is not needed to resolve these issues. While nearly every station has been affected to some extent by the business and economic conditions described in these comments, we notice that the broadcasters with the biggest declines in revenue are many of the stations that are the most homogenized and the least localized in their approach. To us, this indicates that the free market process of dealing with these issues on it’s own is well underway. Listeners and advertisers are voting with their feet and their ad budgets for localized service. Over time, these stations will change (and localize) their approach or they will be sold at a loss to other broadcasters who <u>will</u> make the needed changes. This result has almost surgical precision in that it only involves stations that are problem cases in terms of localism. We consider this to be a much more desirable way to handle whatever problem there truly is than the universal and excessive re- regulation this NPRM would bring (back) to our industry.

Local radio is much more alive and well than this NPRM suggests or than the hearings on localism have led the Commission to believe. Instituting these proposals will harm rather than help those of us working every day to provide the highest possible level and quality of local service to our communities. We ask that the Commission refrain from imposing this burdensome proposal on us all.

Respectfully submitted,

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